

# Memo

## **Clay County Assessor's Office**

To: Barry Wood, Assessment Division Director  
From: D. Mark Barnhart, Clay County Assessor  
CC: Mark Folkerts, Bill Birkle  
Date: 6/8/2009  
Re: Clay County Indiana Trending & Ratio Study

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Dear Mr. Wood,

For the purposes of trending of residential improved properties, the following townships were combined for the ratio study: Sugar Ridge and Washington are two townships that experienced little market activity in 2008. The townships are homogeneous, contiguous and they are primarily comprised of agricultural properties. The two townships together produced just nine valid sales of which were used in this ratio study. Cass Township and Jackson Township are two that also experience little market activity in 2008. These two townships are also homogeneous, contiguous and they are primarily comprised of agricultural properties. The two townships together produced 31 valid sales.

We were forced to utilize the valid sales from 2007 due to the lack of valid 2008 sales data. 5 of the 11 townships did not have any valid residential sales. Due to the lack of 2008 sales and the status of the residential housing market, we do not believe a time adjustment was necessary or warranted.

County-wide residential vacant land sales have also been reviewed. With 14 valid sales we conducted a countywide study and took it one step further by performing additional testing. We employed a land to building ratio study and looked at the average land allocation percentage of the improved residential properties. In reviewing the allocation the data showed an average land allocation of 19.7%. This is within the acceptable range of 16%-22% that is widely accepted as the range for land values.

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The 2009 Annual Adjustments and Ratio Study for commercial and industrial properties in Clay County were completed utilizing sales from a five county region. The counties included in this study were: Clay, Greene, Owen, Sullivan and Vermillion. All five counties are located in West-Central Indiana and consist of very similar markets. All are highly agricultural communities with small towns driving the predominant commercial infrastructure. Due to the lack of adequate volume of sales, consolidating the sales from these similarly situated counties to develop and employ an accurate trending was deemed a viable solution.

Please be aware that one-half of Clay County has been completed for reassessment. Brazil, Lewis, Jackson and Posey townships have been completed to date. This includes completion of residential, agricultural, commercial and industrial data collection, and review. All data submitted and utilized for the 2009 sales ratio study, as it refers to completed reassessment work is current and up to date.

Sincerely,

The Honorable D. Mark Barnhart  
Clay County Assessor